

Prior law exempted persons who are subject to licensing, supervision, or audit by several enumerated federal agencies from licensure as consumer loan brokers. New law retains exemption, but requires that all brokered loans comply with a program administered by a federal agency in which the broker is approved, licensed, supervised, or audited and further requires that all brokered loans are subject to oversight by the approving federal agency.

Prior law required a loan broker to broker a consumer loan or federally related mortgage loan to only licensed lenders or to supervised financial organizations who were exempt from licensure. New law retains prior law and includes lenders exempt from licensure.

New law deletes the prior law provision that required each loan broker to maintain a place of business in Louisiana. Prior law required each broker to maintain a copy of all federal disclosure statements from each loan for two years, which were to be available for inspection at his place of business in Louisiana. New law requires each broker to maintain a copy of all federal disclosure statements and a copy of the signed "Loan Brokerage Agreement and Disclosure Statement" for two years, which shall be available for inspection. New law further requires the broker if his records are located outside of the state to, at the option of the commissioner, make the records available at a specified convenient location or pay the reasonable expenses for the commissioner or his representative to examine them at the location specified in the office records. Allows the commissioner to designate officials serving in a similar capacity in the state in which the records are located to inspect on his behalf.

New law deletes prior law provision that required loan brokerage contracts to be in writing and signed by all parties. New law provides that an applicant for a consumer or federally related mortgage loan has the right to cancel a loan brokerage agreement within five business days of signing. Requires the applicant to exercise his right to cancel by notifying the loan broker in writing within the required time.

New law deletes prior law provision that allowed at least seven days for the loan broker to provide the borrower with a written contract and disclosure statement. New law requires every application in which a loan broker is involved to be accompanied by a written "Loan Brokerage Agreement and Disclosure Statement" which shall be signed by all contracting parties. Requires that a signed copy be presented to the applicant at the time of signing.

Prior law required the disclosure statement to be of a certain type and contain certain information. New law retains prior law but requires the document to be called "Loan Brokerage Agreement and Disclosure Statement".

New law deletes the prior law requirement that the name, address, titles of the officers, directors, trustees, general partners, general managers, executives, and any other person charged with responsibility for the loan broker's business activities be included in the document.

Effective August 15, 1999.

(Amends R.S. 9:3572.2(A)(4), 3572.6(A) and (B), 3572.10, 3572.11(A) and (B)(intro. para.) and (1), and 3572.12(C); Repeals R.S. 9:3572.11(B)(2))